



CROSS-AGENCY TRANSITION TEAM WHITE PAPER

SUBJECT: Center Investment Funding (IRAD and B&P)

Issue

The NASA FY 2010 Appropriations Bill provides that NASA's Cross-Agency Support Funds (CASX) are limited to a one-year period of availability and will expire on September 30, 2010. This paper addresses the requirements for Center Investment Funding, including Internal Research and Development and Bid and Proposal activities.

Internal Research and Development (IRAD) and Bid & Proposal (B&P) activities are typically for non-severable services, but may not always be so. IRAD (includes Center Director's Discretionary Fund) are targeted competitions in technology investment areas aligned with strategic science and exploration challenges. The results of these activities are studies that generate a report and/or a demonstration on the feasibility of the technologies in future research and development areas.

B&P funds provide support to specific bid and proposal activities for targeted known opportunities. These proposals are in response to the Agency's requests for Announcements of Opportunities, NASA Research Announcements, etc. These requests for proposals are announced at different times throughout the fiscal year. The activity that is funded typically results in a final proposal that is submitted for review in hopes and anticipation that an award for the work proposed will be granted to the Center, which in turn supports the Center's core competencies and technologies resulting in the sustainment of a healthy Center.

If work for IRAD and B&P were terminated before completion, and if the results would yield no more than draft study notes and an incomplete product with no real benefit to the government, then the work is non-severable. In such instances, the Government therefore has a bona fide need for the non-severable activities in the fiscal year in which the activity is initiated. Instead, these would be single undertakings that "although extending over a part of two fiscal years, nevertheless [are] determinable both as to the services needed and the price to be paid at the time the contract [or task order] was entered into." 23 Comp. Gen. 370, 371 (1943).

If work for IRAD and B&P were to produce a series of segregable or independently worthwhile items which have value to the Government, then the work is severable. Further, work performed on IRAD but under the terms of a severable task order (e.g., an engineering

Special Note: Although these white papers provide general guidance on the application of the Bona Fide Needs rule to common situations, you should still review your specific circumstances with local procurement, finance, and legal specialists. GAO has repeatedly emphasized that what constitutes a bona fide need of a particular fiscal year depends largely on the facts and circumstances of each particular case. Also note that while this guidance was developed to address the issues arising from the change to a one-year appropriation for CAS, it is also applicable to other expiring appropriations.

support services task order), or work by civil servants, are considered severable. Severable work should use funds from the period of availability when the work is performed.

Guidance

Depending on the work to be performed, most Internal Research and Development (IRAD) and Bid & Proposal (B&P) are for non-severable services. For such non-severable services, FY 2010 CASX funds may thus be utilized to fund these orders across fiscal years, in accordance with commercial practice. Any severable IRAD and B&P work should use funds available when the work is performed.